

2.1

Wages and Salaries

EXPLORE THE MATH

Have you worked at a job where you have earned money? Did you earn a fixed amount paid hourly or weekly? Many tradespeople and people who work in service industries earn wages calculated this way. Other people earn salaries, which are often expressed as an annual amount but are paid monthly, semi-monthly, or biweekly.

What are some occupations where people earn an annual salary?

The total amount people earn is called their gross pay. Later in this chapter, you will learn about deductions that are made from gross pay.

There are occasions when people are asked by their employers to work extra hours in addition to their normal hours. What are some situations where employees may be asked to work overtime?

How much is a reasonable amount to increase the rate of pay for overtime hours?

Definitions

minimum wage: the minimum amount a worker must be paid an hour; this rate varies, depending on which province or territory you live in.

gross pay: the total amount of money earned; also called gross earnings.

pay statement: a form an employer gives an employee that shows earnings and deductions from earnings for a defined pay period.

semi-monthly: twice a month.

biweekly: every two weeks.

ACTIVITY 2.1 INTERPRETING PAY STATEMENTS

Work in a small group to complete this activity. Your friend Jolie has started a job as an apprentice elevator repair person. Study her first pay statement, which is shown below. Pay statements are provided by the employer.

Employee Name: Jolie			
Company: ABC Elevator Repair		Pay Begin Date: 10/13/2011	
		Pay End Date: 10/19/2011	
General			
Employee ID: 999999		Job Title: Elevator repair apprentice	
Address:		Pay Rate: \$19.00/h	
		Annual:	
Hours and Earnings			
Description	Rate	Hours	Gross Earnings
Regular	19.00/h		\$712.50

1. How many days does the pay period cover?
2. If Jolie's gross earnings are \$712.50, how many hours did she work?
3. Did she earn more or less than the minimum wage in your province or territory?
4. Develop a formula Jolie could use to calculate her earnings for any given pay period.

DISCUSS THE IDEAS

TYPES OF EARNINGS

Working with a partner, discuss the following questions:

1. Make a list of the different ways people are paid.
2. What are several different types of jobs that fall into each category of pay?
3. Is there an advantage to being paid weekly rather than monthly? Why do you think most workers are not paid weekly?
4. If you worked at a job in which you earned an annual salary that was paid monthly, and you worked more than 40 hours in a week, how might you be compensated for your overtime work?

Example 1

Each summer, Rick works at a home show in Halifax as a parking lot attendant. His wages this year are \$9.76 an hour and his hours of work vary from week to week. He worked 25 hours for the week August 14-20 and 35 hours for the week August 21-27.

Rick's pay statement is shown below. Check it for accuracy and correct any errors you find.

Employee Name: Rick			
Company: Nova Scotia Spring Ideal Home Show		Pay Begin Date: 14/08/2011 Pay End Date: 27/08/2011	
General			
Employee ID: 999999		Job Title: Parking lot attendant	
Address:		Pay Rate: \$9.76/h Annual:	
Hours and Earnings			
Description	Rate	Hours	Gross Earnings
Regular	\$8.76	60	\$525.60

Example 2

Amos was hired to be the office clerk at an insurance company. His annual salary will be \$34 756.00.

- a) Why is Amos not paid annually for his work?
- b) Would he earn more each pay period if he were paid semi-monthly or biweekly?

Example 3

Laura's regular rate at her job in a warehouse is \$9.86 an hour. She works 8 hours a day. She has to work an extra shift on a holiday, and her overtime rate is time and a half.

- a) What are Laura's gross earnings for the holiday?
- b) What is her hourly rate on the holiday?

Example 4

Gregor works as a glazier, a person who cuts and fits glass, at a window manufacturing company in Miramichi, NB. He earns \$19.99/h for 37.5 hours a week and time and a half for any hours over that. Gregor examines the schedule for the upcoming week. shown here.

WEEKLY SCHEDULE			
Employee Name	Day	Start time	End time
Gregor	Sunday		
	Monday	8:00 am	4:00 pm
	Tuesday	8:15 am	4:00 pm
	Wednesday	8:00 am	3:30 pm
	Thursday	8:00 am	4:00 pm
	Friday	9:00 am	4:15 pm
	Saturday	8:30 am	6:30 pm

To Do:

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- Describe your strategy for determining the number of hours Gregor will work each day and express these amounts as decimals.
- How many hours of overtime will he work?